

**FINAL REPORT  
OF THE  
NORTHWEST INDIANA TRANSPORTATION  
STUDY COMMISSION**



**Indiana Legislative Services Agency  
200 W. Washington Street, Suite 301  
Indianapolis, Indiana 46204**

**October, 2009**

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# **NORTHWEST INDIANA TRANSPORTATION STUDY COMMISSION**

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### **Representatives**

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Dan Paliganoff  
Attorney for the Commission

James Sperlik  
Fiscal Analyst for the Commission

## **I. STATUTORY DIRECTIVE**

The Indiana General Assembly enacted legislation (HEA 1102-2006, SECTION 85 (P.L. 169-2006)) directing the Commission to do the following:

- (1) monitor the development of commuter transportation and rail service in the Lowell-Chicago and Valparaiso-Chicago corridors;
- (2) study all aspects of regional mass transportation and road and highway needs in Lake County, Porter County, LaPorte County, St. Joseph County, and Elkhart County;
- (3) study northwest Indiana transportation, infrastructure, and economic development issues; and
- (4) study other topics as assigned by the legislative council.

However, in the period 2006 through 2009, the Legislative Council did not assign any topics in addition to the topics described in items (1) through (3).

The statute provides that the Commission shall submit a final report of the Commission's findings and recommendations before November 1, 2009. Thus, this report covers the years 2006 through 2009.

## **II. INTRODUCTION AND REASONS FOR STUDY**

Transportation is a fundamental consideration for the economic vitality of northwest Indiana. Indiana's role as a crossroads State makes this generally true, but the proximity of northwest Indiana to Chicago and Lake Michigan confers special importance on transportation factors for northwest Indiana. The General Assembly has recognized this special significance with several legislative initiatives supporting transportation development in northwest Indiana, including:

- the Northern Indiana Commuter Transportation District (NICTD);
- the Northwestern Indiana Regional Planning Commission (NIRPC);
- the Northwest Indiana Regional Development Authority (RDA); and
- most recently, a framework for the Northern Indiana Regional Transportation District (2009 special session).

The Commission was established in order that the General Assembly might remain well-informed about ongoing progress and emerging issues involved with transportation development

in northwest Indiana.

### **III. SUMMARY OF WORK PROGRAM**

In 2006, the Commission met twice in northwest Indiana: once at the Purdue Technology Center of Northwest Indiana at Crown Point (September 13); and once at the Gary Chicago International Airport in Gary (October 25).

At the September 13, 2006, meeting, the Commission heard from:

- Dan Gardner, Deputy Director, Northwestern Indiana Regional Planning Commission;
- Ken Dallmeyer, Project Director, Regional Bus Authority; and
- Tim Sanders, Executive Director, Northwest Indiana Regional Development Authority.

At the October 25, 2006, meeting, the Commission heard from:

- Stephen Mosher, Port Director, Port of Indiana--Burns Harbor/Portage; and
- Chris Curry, Airport Director, Gary Chicago International Airport.

In 2007, the Commission met three times in northwest Indiana: once at the NICTD offices in Chesterton (August 23); once at the NIRPC offices in Portage (October 9); and once at the Port of Indiana--Burns Harbor in Portage (October 30).

At the August 23, 2007, meeting, the Commission heard from:

- Gerald Hanas, General Manager, Northern Indiana Commuter Transportation District;
- Corey Hall, Principal Planner, Michiana Area Council of Governments;
- Tim Sanders, Executive Director, Northwest Indiana Regional Development Authority;
- John Swanson, Executive Director, Northwestern Indiana Regional Planning Commission; and
- Chris Kiefer, Deputy Commissioner, Indiana Department of Transportation, and Angela Fegaras, Customer Services Manager, LaPorte District, Indiana Department of Transportation.

At the October 9, 2007, meeting, the Commission heard from:

- John Parsons, Marketing Director, Northwest Indiana Commuter Transportation District, and Bill Sheldrake, President, Policy Analytics, LLC;
- Mark Reardon, LaPorte County;
- Captain Bob Rich, First Sergeant Dennis Baylor, and Lt. Ed Schroeder, all of the Indiana State Police;
- Chris Kiefer, Deputy Commissioner, Indiana Department of Transportation; and
- Chris Curry, Airport Director, Gary Chicago International Airport.

At the October 30, 2007, meeting, the Commission heard from:

- Jody Peacock, Director of Corporate Affairs, Port of Indiana;
- Joseph Bell, Indiana Department of Homeland Security;
- Daryl Lampkins, General Manager, Gary Public Transportation Corporation;
- Dennis Rittenmeyer, President, Regional Bus Authority;
- Ken Dallmeyer, Project Manager, Regional Bus Authority; and
- John Swanson, Executive Director, Northwestern Indiana Regional Planning Commission.

The Commission did not meet in 2008.

In 2009, the Commission met three times in northwest Indiana: once at the Purdue Technology Center in Crown Point (September 1); once at the NIRPC offices in Portage (October 1); and once at the NICTD offices in Chesterton (October 22).

At the September 1, 2009, meeting, the Commission heard from:

- Bill Hanna, Executive Director, Northwest Indiana Regional Development Authority;
- Jerry Hanas, General Manager, NICTD; and
- Tim Brown, Executive Director, Regional Bus Authority.

At the October 1, 2009, meeting, the Commission heard from:

- Chris Curry, Airport Director, Gary Chicago International Airport;
- Daryl Lampkins, General Manager, Gary Public Transportation Corporation;
- Captain Bob Rich, First Sergeant Keith Kopinski, and Sergeant Mike Young, all of the Indiana State Police; and
- Chris Kiefer, Federal and State Legislative Director, Indiana Department of Transportation, and Angela Fegaras, Communications Director, LaPorte District, Indiana Department of Transportation.

At the October 22, 2009, meeting, the Commission heard from:

- Laura Kliwer, Director, Midwest Interstate Passenger Rail Commission, on the Midwest Interstate Passenger Rail Commission;
- Michael Riley, Manager, Rail Office, Indiana Department of Transportation, on the Midwest High Speed Rail Steering Group and the Midwest Regional Rail Initiative;
- John Swanson, Executive Director, Northwestern Indiana Regional Planning Commission (NIRPC), on NIRPC's projects; and
- Don Koliboski, Director of Economic Development, Northwest Indiana Forum, on the Forum's mission, services, and projects.

#### **IV. SUMMARY OF TESTIMONY**

##### **A. Roads, Highways, and Bridges**

##### **Indiana Department of Transportation**

On October 7, 2009, then Indiana Department of Transportation (INDOT) Deputy Commissioner Chris Kiefer appeared before the Commission and reviewed INDOT's Master Plan for Northwest Indiana.

Chris Kiefer, INDOT, and Angela Fegaras, LaPorte District, INDOT, spoke to the Commission twice on the topic of bridge sufficiency in Indiana, once on August 23, 2007, and again on October 1, 2009. On October 1, 2009, Mr. Kiefer said that INDOT spent approximately \$200 million for bridge projects in northwest Indiana for state fiscal year 2009 (ending July 1, 2009) and expects to spend \$343 million for similar projects in state fiscal years 2010 and 2011.

##### **Northwestern Indiana Regional Planning Commission**

NIRPC is the Metropolitan Planning Organization (MPO) for the three participating counties in northwest Indiana that it serves: Lake, Porter, and LaPorte Counties.

NIRPC officials appeared before the Commission four times in the period covered by this report. John Swanson, Executive Director, appeared on August 23, 2007, October 30, 2007, and October 22, 2009; Dan Gardner, Deputy Director, appeared on September 13, 2006.

The NIRPC Connections 2030 Regional Transportation Plan is the transportation plan that is the current long-range context for NIRPC's short-term plans. These short-term plans are implemented in five-year Transportation Improvement Programs (TIPs). Mr. Swanson's and Mr. Gardner's presentations have served to keep the Commission members abreast of recent developments in the transportation planning process, which involve projects on local roads, highways, and passenger rail (NICTD).

In addition, Mr. Swanson has spoken to the Commission about the Marquette Plan, involving Lake Michigan shoreline redevelopment, and non-motorized transportation alternatives involving trail development in northwest Indiana.

At the October 22, 2009, meeting, Mr. Swanson told the Commission about the initial steps in developing the 2040 Comprehensive Regional Plan, which has begun with the formulation of a draft vision statement. He indicated that the 2040 Comprehensive Regional Plan will include elements addressing social equity, transportation, economic development, environment, and land use.

### **Indiana State Police**

Captain Bob Rich of the Indiana State Police appeared before the Commission on October 9, 2007, assisted by First Sergeant Dennis Baylor and Lt. Ed Schroeder. Captain Rich appeared again on October 1, 2009, assisted by First Sergeant Keith Kopinski and Sergeant Mike Young.

Captain Rich and his fellow officers reviewed for the Commission various aspects of policing the Indiana Toll Road by the Indiana State Police. These policing activities include enforcement of traffic laws, inspection of commercial vehicles, investigation of vehicle crashes and crimes, including drug-related crimes, and the assistance of motorists. At the October 1, 2009, meeting, they also reviewed aspects of the Toll Road district's vehicle crash reduction initiative and a quick clearance initiative to reduce the likelihood of secondary crashes on the Toll Road.

## **B. Air Transportation**

### **Gary Chicago International Airport**

Chris Curry, Airport Director, Gary Chicago International Airport (GCIA), testified before the



Commission twice, first on October 9, 2007, and again on October 1, 2009.

In the period covered by this report, the GCIA has been working on the extension of its main runway from 7,000 feet to 8,900 feet, which would allow a greater range of aircraft to use the airport. Mr. Curry explained that the primary impediment has been a railroad embankment located near the end of the runway. At the October, 2007, meeting, Mr. Curry described this as a three-fold problem: safety, security, and capacity. The 7,000 foot runway lacks a sufficient runway safety area, which the 8,900 foot runway would provide. Secondly, the railroad embankment presents a security issue because the embankment offers a hiding place for terrorists. And finally, carrying capacity must be reduced so that aircraft can clear the embankment. Negotiations to acquire the embankment and reroute the trains have moved slowly. In October, 2007, Mr. Curry reported that negotiations had already been under way for six and a half years. In October, 2009, Mr. Curry reported that the GCIA is in the process of entering into agreements with Elgin Joliet & Eastern, CSX, and Norfolk Southern. In addition to the acquisition of the railroad embankment, Mr. Curry said that the runway extension requires several other construction projects, including modification of the Cline Avenue frontage road, relocation of utility power lines, and relocation of a Citgo storage tank.

Aside from the runway extension, the following are ongoing or completed projects at the GCIA:

- Construction of a hangar facility for the Army National Guard and a readiness facility.
- Boeing apron expansion.
- Construction of the Gary Jet Center west hangar.
- Upgrading Airport fences, made possible with federal stimulus money.

### **Northwest Indiana Regional Development Authority**

At the August 23, 2007, meeting, Tim Sanders, Executive Director, Northwest Indiana Regional Development (RDA) authority, announced that the RDA had recently disbursed \$20 million to the GCIA for the GCIA's proposal for expansion of the Airport, which Mr. Curry explained at the October 9, 2007, meeting, was primarily for land acquisition. As Mr. Sander's replacement Bill Hanna reported on September 1, 2009, this has been the extent of the RDA's investment in the GCIA.

### **C. Passenger Rail**

#### **Northern Indiana Commuter Transportation District**

The Commission heard from the following NICTD representatives several times in the period covered by this report:

- Gerald Hanas, General Manager, on August 23, 2007.
- John Parsons, Marketing Manager, on October 9, 2007.
- Gerald Hanas, General Manager, on September 1, 2009.

The central theme of NICTD's presentations throughout this period has been the progress of its most recent capital improvements plan. The objectives of the plan are to:

- enhance safety;
- improve passenger amenities;
- improve reliability;
- reduce travel time; and
- enhance capacity.

On September 1, 2009, Mr. Hanas reported the following progress of the modernization program:

- Signal and communications improvements:
  - phases 1 & 2 plus fiber (completed, for \$48.5 million);
  - operations control center (completed, for \$2.4 million);
  - phase 3 South Bend to Michigan City (underway, for \$13.5 million).
- Power distribution system (catenary):
  - phase 1 Gary to Kensington (completed, for \$21.2 million);
  - phase 2 Michigan City to Gary (underway, for \$18.6 million);
  - phase 3 South Bend to Michigan City (awaiting funds, for \$18 million);
  - design and construction management (underway, for \$4.1 million).
- Rolling stock:
  - 14 gallery style cars (completed, for \$51.0 million).

Thus, the modernization program is 70.8% completed (\$125.5 million), with 19.1% underway (\$33.9 million), and 10.1% awaiting funds (\$18,000,000). The total projected cost is \$177.4 million.

In addition to the modernization program, NICTD in the process of making capital investments in:

- high-level boarding platforms, which reduce station dwell time;
- ticket vending machines, which reduce cash transactions;
- capacity enhancements, including the Kensington by-pass and the West Lake corridor to Lowell; and
- track realignments in Michigan City and South Bend, which enhance safety and reduce travel time.

### **Midwest Interstate Passenger Rail Commission**

Laura Kliewer, Director, Midwest Interstate Passenger Rail Commission (MIPRC), gave a presentation to the Commission on October 22, 2009, covering:

- MIPRC and its purposes;
- the federal Passenger Rail Investment and Improvement Act; and
- funding for passenger rail investments under the American Recovery and Reinvestment Act (ARRA).

### **Midwest Regional Rail Initiative**

Mike Riley, Manager, Rail Office, Indiana Department of Transportation, appeared at the Commission's October 22, 2009, meeting and briefed the Commission on:

- the Midwest High Speed Rail Steering Group; and
- the Midwest Regional Rail Initiative.

The main part of his presentation concerned the applications of Indiana, Illinois, Iowa, Minnesota, Wisconsin, Michigan, Missouri, Ohio, and the City of Chicago for high speed rail funding made available under the American Recovery and Reinvestment Act of 2009 (ARRA). As he explained, the two Indiana applications were for:

- under Track 1: improvements to the Norfolk Southern Indiana Gateway, at a cost of approximately \$71.4 million; and
- under Track 2: engineering, construction, and equipment of a Chicago to Cleveland Corridor, at a cost of approximately \$2.8 billion.

## **Northwest Indiana Regional Development Authority**

The RDA furnished \$17.5 million in a grant to NICTD for the purchase of the 14 gallery style cars indicated above. Bill Hanna, Executive Director of the RDA, reported on September 1, 2009, that this \$17.5 million grant is the total of the RDA's investment in NICTD to date.

## **D. Bus Transportation**

### **Gary Public Transportation Corporation**

Daryl Lampkins, General Manager, Gary Public Transportation Corporation (GPTC), came before the Commission on October 30, 2007, and also on October 1, 2009.

One issue the GPTC had to work through is its status as a high-risk grantee with the Federal Transit Administration (FTA). In March, 2007, the FTA determined that GPTC was a high-risk grantee. In his presentation before the Commission on October 30, 2007, Mr. Lampkins listed the following reasons: the Johnson Controls contract (\$1.2M), the LNG (liquid natural gas) default (\$1.6M), lack of technical capacity, financial capacity, and drawdown of ineligible items (\$880,000). See Minutes of October 30, 2007, Exhibit E. Mr. Lampkins reported that the FTA audit firm would conduct an overview and give its recommendation for improvements, starting November 5, 2007.

Mr. Lampkins told the Commission at the October 1, 2009, meeting that the GPTC had completed the FTA Master Recovery Plan consisting of 55 compliance items. In addition, he stated that the outstanding liabilities for the Johnson Controls contract and the LNG buses and fueling stations, totaling \$3.5 million, have been retired.

Despite the GPTC's progress with FTA Master Recovery Plan, the GPTC continues to struggle with declining revenues and increasing costs. Mr. Lampkins indicated that revenue projections from traditional sources are expected to decline by \$2.7 million in the period 2009 through 2012. On the cost side, for example, he expects a 30% increase in health care costs in 2010. The conclusion of his financial analysis was that, unless the GPTC obtains a dedicated funding source, the GPTC will close or severely reduce its service levels within one year or sooner.

### **Regional Bus Authority**

In the period 2006 through 2009, the Regional Bus Authority began to emerge as a factor in bus

transportation in northwest Indiana.

At the Commission's September 13, 2006, meeting, RBA Project Director Ken Dallmeyer spoke about creating a framework for regional expansion throughout Lake County, Porter County, and LaPorte County. Toward this end, the RBA had commissioned a regional bus study for Lake and Porter Counties, the result of which was to be a strategic and operations plan for the RBA, anticipated by the end of 2006. Mr. Dallmeyer also described the intricacy of determining a role for the RBA among a number of other established systems. The RBA, he explained, was seeking to find ways to provide services that the established bus systems do not provide, such as certain circulator services and flexible on-demand services.

Dennis Rittenmeyer, President, RBA, and Ken Dallmeyer, Project Director, RBA, appeared before the Commission on October 30, 2007. The main point of interest in their presentation was a description of a two-year project for the development of a dispatch system and regional services, which was funded by the Northwest Indiana Regional Development Authority for \$6.5 million total. Mr. Dallmeyer said that the regional dispatch system is a demand-response system. In addition, he said that the RBA would like to expand to fixed route systems with locator technology and communications.

Mr. Rittenmeyer reported that both Porter and LaPorte Counties had joined the RBA in 2007.

At the September 1, 2009, meeting, Executive Director Tim Brown, RBA, addressed the Commission. In addition to his remarks, Mr. Brown distributed a copy of the Northwest Indiana Transit Consolidation Plan, which was prepared by Parsons Brinckerhoff for the RBA. As part of his talk, Mr. Brown gave a summary of the RBA's thinking about consolidation. He also reviewed the financial posture of the local transit systems in northwest Indiana. His testimony made clear that financial pressures on these systems are opening up opportunities for the RBA. For example, Mr. Brown reported that the RBA is in discussion with the city of Hammond to take over operation of the Hammond Transit system by the end of 2009; however, that deal had not yet been concluded.

### **Northwest Indiana Regional Development Authority**

At the September 1, 2009, meeting, Bill Hanna, Executive Director, Northwest Indiana Regional Development Authority (RDA), reported that through 2009 the RDA has invested \$8.787 million in the RBA, including \$6.5 million for the two-year demonstration project to implement a dispatch system and regional services, described above.

## **E. Shipping**

### **Port of Indiana--Burns Harbor/Portage**

The Commission was briefed twice on the Port of Indiana--Burns Harbor (the Port): once on

October 25, 2006, and once on October 30, 2007.

At the October 25, 2006, meeting, Port Director Stephen Mosher gave a thorough talk covering several trends and issues in shipping. Mr. Mosher made the following key points during his testimony:

- The harbor did not need to be dredged, despite some (then) recent publicity describing ships churning up sediment, because Lake levels were at the low ebb of a natural thirty-five year cycle.
- The Indiana General Assembly should not adopt legislation regulating invasive aquatic species, because this is a world-wide problem best addressed by United States federal law on the treatment of ballast water, which would establish uniformity throughout the United States and would likely become the de facto world standard if enacted.
- The Port has an opportunity to capture intermodal freight moving by rail and ship it by sea because Chicago has become a point of congestion for freight transportation moving by rail. He explained that, because there is no national railroad, freight in intermodal shipping containers destined for Chicago by rail must be transferred from one to railroad to another in Chicago. With some capital investment, he insisted, the Port could get some of this business for transport by water.
- Finally, Mr. Mosher advocated the development of a short-sea shipping industry, based on the Great Lakes and inland waterways. Short-sea shipping attempts to utilize as much sea transport as possible before off-loading freight onto trucks for land transport.

At the October 30, 2007, meeting, the Commission heard from Jody Peacock, Director of Corporate Affairs, Ports of Indiana, who gave an overview of the Ports of Indiana.

#### **F. Northwest Indiana Regional Development Authority**

On September 1, 2009, Bill Hanna, Executive Director of the RDA, presented the following schedule of money disbursed or committed by the RDA to date, some of which has been pointed out elsewhere in this report:

Initial RDA Investments (\$)	
Regional Bus Authority	8,787,000
Gary Chicago Int'l Airport	20,000,000
South Shore (NICTD)	17,500,000

Lake Shore Revelopment	79,366,631
Other	<u>6,215,200</u>
Total	132,118,567

### **G. Economic Development**

On October 22, 2009, the Commission heard from Don Koliboski, Director of Economic Development, Northwest Indiana Forum (NWI), about the steps being taken to access American Reinvestment and Recovery Act (ARRA) funds that are available through the federal Economic Development Administration, an agency within the U.S. Department of Commerce. He explained that this has involved:

- creation of the Northwest Indiana Economic Development District, which was formed by NIRPC and NWI; and
- the development of a comprehensive economic development strategy, which NWI is working on in September and October, 2009.

Mr. Koliboski's presentation includes a time line that anticipates the submission of an application to Economic Development Administration for the establishment of an economic development district by November or December, 2009.

### **V. COMMITTEE FINDINGS AND RECOMMENDATIONS**

The Commission made the following findings of fact:

- None.

The Commission made the following recommendations:

- The Northwest Indiana Transportation Study Commission should be established as a permanent legislative study committee and to that end Representative Niezgodski should introduce a finalized version of Preliminary Draft (PD) 3181, as amended by action of the Commission, in the forthcoming legislative session of the General Assembly.

## WITNESS LIST

First Sergeant Dennis Baylor  
Indiana State Police

Joseph Bell  
Indiana Department of Homeland Security

Tim Brown, Executive Director  
Regional Bus Authority

Chris Curry, Airport Director  
Gary Chicago International Airport

Ken Dallmeyer, Project Director  
Regional Bus Authority

Angela Fegaras  
Communications Director, LaPorte District  
Indiana Department of Transportation

Dan Gardener, Deputy Director  
Northwestern Indiana Regional Planning Commission

Corey Hall, Principal Planner  
Michiana Area Council of Governments

Gerald Hanas, General Manager  
Northern Indiana Commuter Transportation District

Bill Hanna, Executive Director  
Northwest Indiana Regional Development Authority

Mark Hoenke  
Port of Indiana--Burns Harbor

Chris Kiefer  
State and Federal Legislative Director  
Indiana Department of Transportation

Laura Kliewer, Director  
Midwest Interstate Passenger Rail Commission

Don Koliboski  
Director of Economic Development



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Port of Indiana--Burns Harbor/Portage

John Parsons, Marketing Director  
Northern Indiana Commuter Transportation District

Jody Peacock  
Director of Corporate Affairs  
Ports of Indiana

Mark Reardon  
LaPorte County

Capt. Robert Rich  
Indiana State Police

Michael Riley, Manager, Rail Office  
Indiana Department of Transportation

Dennis Rittenmeyer, President  
Regional Bus Authority

Tim Sanders, Executive Director  
Northwest Indiana Regional Development Authority

Lt. Ed Schroeder  
Indiana State Police

Bill Sheldrake, President  
Policy Analytics LLC

John Swanson, Executive Director  
Northwestern Indiana Regional Planning Commission

Sergeant Mike Young  
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